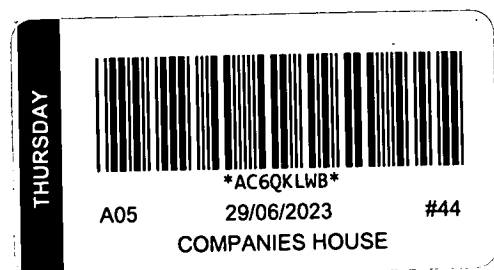


Registered number: 01962583

BAXTERSTOREY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2022



BAXTERSTOREY LIMITED

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BAXTERSTOREY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 28 DECEMBER 2022

Introduction

The directors present their Strategic Report for BaxterStorey Limited and subsidiaries (together "BaxterStorey") for the period ended 28 December 2022.

In common with much of the hospitality sector, BaxterStorey operates to a weekly reporting cycle rather than calendar month end basis. Accordingly, these financial statements are for the 52 week period ended 28 December 2022, with comparative values for the 52 week period ended 29 December 2021.

Principal activities

BaxterStorey offers a wide range of food and hospitality services across business, industry and higher education sectors. We strive to be the food service provider of choice for clients who understand the benefits of local sourcing and demand the highest quality fresh food. We tailor our services to each client's individual needs and we ensure we provide the right people with the right skills to deliver exceptional services.

Business and financial review including future developments

During the first quarter of 2022, as a direct consequence of the Covid-19 global pandemic and government response measures, we continued to see many of our locations unable to trade or found trade materially impacted by public health restrictions. The restrictions were lifted by 15 March 2022 and the return of employees to the workplace gathered pace throughout the rest of the year.

Like the rest of the economy, our business also experienced scarcity of labour and cost inflation, particularly in relation to food costs. However, our business model has proved resilient and has enabled us to support clients' employees returning to the office, to gain new contracts and to remain competitive. Our employee base has grown steadily, testament to the business's ability to attract and retain talent.

Our KPI's when measuring the consolidated performance broadly fall into two categories: financial and non-financial. Our financial KPI's are Turnover, Operating profit, Cash and cash equivalents and Net assets.

Key trading results for the period:

- Turnover £449m (2021: £285m)
- Operating profit £25m (2021: £24m)
- Cash at bank and in hand £32m (2021: £29m)
- Net Assets £201m (2021: £181m)

Despite the challenging trading environment experienced in early 2022, the directors believe the strong trading performance during the balance of the year, particularly in the last quarter, is an indication of the positive outlook for the business.

Our non-financial KPI's focus on what we perceive as the principal risk of the group - Health & Safety. As discussed below, we hold external Health & Safety accreditations, benchmark how our accident incident rate compares to the sector and continuously seek improvements in our management of related risks. Senior management are held to account for Health & Safety, reporting on independently audited Health & Safety site performance in monthly reviews with the CEO and the Finance Director.

Principal risks and uncertainties

The directors recognise that the degree of exposure to certain risks and the ability of the business to manage those risks effectively will influence the success of the business. Corporate governance, risk management and control systems have been continually developed by our parent ('WSH') over many years. The directors are confident that the health and safety, political and economic environment, strategic and financial risks faced by the group are identified and managed appropriately either at a group or a wider WSH level.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Principal risks and uncertainties (continued)

Health and safety

A risk management committee headed by the WSH Chairman along with the WSH People & Talent Director, and Director of HSE ensures our health, safety and hygiene systems comply fully with legislative requirements. We recognise that in most of our client premises, it is the catering facilities which present the greatest number of hazards and risks within the building. Many of these hazards e.g. slips and trips, machinery and manual handling, cannot be practicably avoided due to the nature of the work activity and must therefore be controlled by safe systems of work. To achieve this, we operate across all our businesses comprehensive and fully documented health and safety management systems that exceed current legislative requirements. WSH also insist our catering operations are independently audited a minimum of annually by Navitas Safety (formerly The European Safety Bureau) and that all new sites are audited shortly after mobilisation, in order to give our clients an open and transparent view of our operations.

To provide clients and customers with further confidence in our safety management systems, we are independently accredited to the SAFE Contractor Scheme and to the British Standards Institute (BSi) to ISO 45001 OHSAS 18001:2007, ISO 14001 & ISO 50001, which recognise the highest standards of safety, health and environmental performance in business.

Strategic

The WSH Chairman and the Chief Financial Officer conduct formal monthly monitoring of performance with the key BaxterStorey executives where actual performance is compared to budget and forecast. The business has designated levels of authority for all capital investments. Cash flows are monitored on a daily basis with active cash and debt management.

The WSH Audit Committee, which includes a non-executive director, considers the adequacy and effectiveness of the risk management and control systems of the group and reports the results back to the Board. It reviews the scope and results of the external audit, its cost effectiveness and the objectivity of the auditors. The Audit Committee considers the non-audit work performed by the external auditors to help ensure that the independence is maintained.

The WSH Environmental, Social and Governance (ESG) Committee, which included a non-executive director, considers legal and ethical risks facing the business in addition to other factors key to understanding the impact of the business and relative risks and opportunities. The committee ensures that WSH operates ethically with integrity and follows a best practice approach to any legal and/or ethical risks which arise.

Political and economic environment

We operate in a changing political and economic environment. We recognise the impact that this can have on our business and we are constantly reviewing our business in light of legislative changes.

Recognising these challenges and their potential impact, our earnings base is varied and covers both public and private sectors thus giving us greater ability to withstand adverse economic movements. Our contracts enable us to review pricing to reflect inflationary and legislative changes whilst we seek to ensure that the costs of our products, services and labour represent best value whilst retaining client choice and exceeding our service levels. We believe in providing our clients with exceptional food and personal service, whilst respecting their individuality and investing time and energy in getting to know them and understanding their needs.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Principal risks and uncertainties (continued)

Financial

We summarise the principal financial risks that BaxterStorey faces, and how we address these below:

Liquidity Risk - BaxterStorey actively manages its liquidity position and risk by ensuring it has adequate bank facilities and unrestricted cash to ensure planned activities and requirements are met. Utilisation levels against available facilities are monitored daily.

Supplier Risk - risk of supplier failure and/or product shortages in the supply chain are mitigated by the group by having an extensive supply chain with an overarching philosophy of multiple lines of supply with no one supplier dominance.

Going concern

In assessing BaxterStorey's ability to continue as a going concern, the directors have considered the performance of the business through 2022 and ongoing performance in 2023. The directors believe the underlying resilience of the business evidenced through the pandemic, the clear recovery in trading through 2022 and the positive outlook for the business, together with the strength of the parent WSH, supports the directors' confidence that BaxterStorey, with the support of the WSH group, can meet all its obligations as they fall due through to at least the end of 2024. Accordingly, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Board Statement

The Board is in place to ensure BaxterStorey's good governance and prosperity by overseeing the company and group's affairs, while acting in the best interests of its shareholders and relevant stakeholders. In line with their responsibilities under the UK Companies Act 2006, the directors of the Board consistently operate in their capacity in a way that they consider, in good faith, would be most likely to promote the long-term success of BaxterStorey for the benefit of the members as a collective body.

It is recognised that sound governance is built on a foundation of mutual trust, respect and understanding of the needs and expectations of all critical stakeholders. Having been fully apprised of their duties under the Act, the Board is appropriately informed of matters of strategic importance to the business and acts through both subjective and objective care, skill and diligence, and with a high degree of engagement and collaboration across the organisation and amongst stakeholders.

Stakeholder Engagement

Accountability to and transparency with our stakeholders has been key to the long-term success of our business. We consider our key stakeholders to be our people, our clients and customers, our suppliers, our community and environment and our shareholders.

All company directors have a duty to act in the way they consider, in good faith, would be most likely to promote the success of the business for the benefit of its members as a whole. They have regard for:

- the likely consequences of any decision in the long term;
- the interests of employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of operations on the community and the environment;
- the desirability of the business to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the group.

The directors of BaxterStorey are committed to on-going engagement with all our stakeholders. This was critical throughout the Covid-19 pandemic with the pandemic's associated impact on all our stakeholders. In addition to the methods described below, the interests of our stakeholder groups are considered by the directors through a combination of:

- monthly board meetings covering health and safety, operational matters, people issues, financial and commercial aspects, supply chain and new business opportunities; and
- the work of the WSH Audit, Remuneration and ESG Committees.

Our People

As a hospitality business, our people are key to our commercial and strategic success. Our operating teams are charged with the most vital role, ensuring our customers' enjoyment of our services.

We aim to recruit the best people and have a key focus on training and development to enable all employees to acquire new skills so they can develop their careers and realise their potential. We have an ethos of valuing and recognising all team members for their contribution and encouraging them to be part of our long-term success.

Our commitment to ensuring we have well trained employees is a point of difference for us in our sector. Through various training programmes and academies, we offer learning opportunities in every part of our business. We participate in the Government Apprenticeship Scheme across various disciplines.

We have a number of established methods of communicating, consulting and engaging with our employees. These include employee forums, union representation (where applicable) and, where appropriate, ad hoc forums to ensure employees are consulted appropriately and are able to participate. Information on matters of concern to employees is given through information bulletins, reports and face-to-face briefings. We seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting BaxterStorey's performance.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Our People (continued)

Widespread equity participation has been a key pillar in the historic success of our businesses. We firmly believe that an equity ownership structure incentivises our key team members and is a major factor in ensuring behaviours and commercial alignment are focused on the continued development of a long-term sustainable business model. The equity scheme in place allows key team members to have direct equity participation in a parent company.

The WSH Remuneration Committee, which also includes a non-executive director, determines and agrees the framework and policy for BaxterStorey, including executive remuneration packages, comprising bonuses, share and incentive awards and pension arrangements. There is clear governance around decision-making and changes to any compensation arrangements.

Our Clients and Customers

Our business is built on obtaining new clients and customers and then going the extra mile to retain and grow with existing clients. A critical objective is that we engage with clients and customers at all levels. We need to ensure that every client and customer is valued, listened to, engaged with, and receives our feedback and support if required. The demands can be many and vary significantly but our customers want quality food, quality service, value for money and to feel appreciated when they deal with us. Our customers rightfully have a voice, and we adapt to meet their ongoing requirements and suggestions where possible.

We maintain regular contact with all our clients. This ranges from staff and site managers meeting the client on a daily basis, to regular monthly catchups between operational leads and frequent director meetings during the year.

We use customer feedback as a valuable tool for driving continued improvements in our food and service offerings. Feedback from customers is captured on an ongoing basis from various sources, including surveys, feedback forms, social media and face to face.

Our Suppliers

Our suppliers have a critical role to play in delivering our strategic aim of delivering high quality fresh food to our customers. We target long-term relationships with suppliers who match our values on ethical and sustainability goals. We believe partnership style arrangements, focused on driving revenues rather than cost, helps promote innovation and mutually rewarding trading. We agree payment terms with all our suppliers and then pay to these agreed terms. We have regular meetings throughout the year with our suppliers. Wherever possible, we source locally and buy the best seasonal produce.

Our Community and Environment

We operate in multiple locations and seek to act responsibly in the communities and environments in which we trade. We continually develop our offer so we can reduce our carbon footprint, cut down on waste and become more innovative in ensuring we protect the environment.

We take an active role in the communities in which we operate, not only providing great employment and training opportunities, but also giving back to the community through various charitable efforts. Our client teams regularly participate in, and are actively encouraged to do so, charitable activities together with our clients. These are discussed further in the Charitable donations section in the Directors' Report.

Our Shareholders

Open engagement with our shareholders has been a cornerstone of our success. The discipline of delivering to an agreed commercial plan has helped the business to grow and invest for the future. We have regular contact with our investors through monthly meetings and supply of management information packs updating them on strategic, operational and financial matters as well as risks and opportunities facing the business.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Environmental, Social and Governance (ESG)

The global food system and Supply Chain continues to face multiple challenges as a result of climate change, geopolitics and the continued aftershocks of Covid-19 on both our teams, sector and the wider economy. We recognise that these pressures are unlikely to abate, and we need to be agile and adapt in order to ensure a sustainable food future for people and the planet. As a member of the WSH family we recognise the responsibility of being able to use our combined scale and size to make a positive difference to people's livelihoods, the communities in which we work and the compelling need to act to address climate change, inclusion and diversity, and supply chain integrity.

We love what we do; serving our customers fresh, seasonal and local food prepared by our exceptional teams every day. Our teams are hungry for change in our industry, and we are uniting to take positive action on sustainability by developing a purpose that both recognises the strong progress made in recent years with a longer-term strategy that ensures we continue to tackle the complex social and environmental issues that we face both today and in the future.

Our ESG Strategy

Throughout 2022, BaxterStorey, as part of the wider WSH family, continued to drive our ESG Strategy forward through our 'Second Nature' framework, comprising the four pillars of Diversity by Design, Growing Talent, Progressive Partnerships and Step up. These pillars were determined by robust materiality analysis and fall in line with independent reporting standards and frameworks (i.e. Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDG's) and Sustainability Accounting Standards Board (SASB), etc.). These are all referenced against our listed KPI's and Targets below where relevant.

Our ESG ('Second Nature') Strategy is overseen by the WSH ESG Steering Committee, chaired by a WSH Executive Director, reporting into the WSH Board of Directors. This Committee meets on a quarterly basis and comprises both committee members responsible for the effective delivery of targets and KPIs within the pillars as well as other members of the business' senior leadership teams and functional teams. The role of the Committee is to ensure that all areas of ESG are being strategically managed and to provide transparency and accountability for the company's performance in these areas.

The WSH pillar objectives are detailed below along with targets, KPI's and Global Standard and Industry Alignment.

Diversity by Design: Creating inclusive workplaces where everyone can thrive

Goals	KPIs	Targets	Alignment
Ensure diversity and inclusion is represented at all levels of our business	Gender diversity ratio of leadership roles	Increase female representation in leadership roles* to 40% by 2026	GRI 405
	% of females in leadership roles promoted from within WSH	Increase the representation of employees from mixed and multiple ethnic backgrounds in leadership roles by 2027 (to reflect the regional population demographic)**	SDG 5
	Ethnic diversity ratio of leadership roles		SDG 10

*Leadership roles refers to company's board and level immediately below in all businesses, and operations directors in BaxterStorey.

**Regional ethnic diversity as defined by the UK Government and the Office for National Statistics.

BAXTERSTOREY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 DECEMBER 2022**

Growing Talent: Helping our people grow and succeed

Goals	KPIs	Targets	Alignment
To provide learning and development opportunities for all WSH employees	% of employees receiving regular career development and performance reviews	Build upon the strong heritage of training at WSH by providing learning opportunities for all contracted employees, beyond mandatory requirements by 2025 Increase the % of people from underrepresented groups*** on our management development programmes to 30% by 2025	GRI 404-1 GRI 404-3 SDG 4 GRI 405-1
	Number of training hours provided per employee per year		
	% of management positions filled from internal hires		
	Diversity ratio of employees on management development programmes		
	Diversity ratio of internal promotions within departments to management positions		
To make WSH an employer of choice within the hospitality industry by providing fair and decent work	Living Wage Foundation Recognised Service Provider status	Achieve the Living Wage Foundation's Recognised Service Provider accreditation by 2026 Reduce the gender pay gap to <10% by 2027	SDG 8 SASB GRI 405-2
	Bonus gender pay gap		
	Mean gender pay gap		

***Underrepresented groups refers to protected characteristics including gender, race, ethnicity, sexual orientation, religion, age.

Progressive Partnerships: Partnering to drive positive change

Goals	KPIs	Targets	Alignment
<p>To create a group-wide supplier code of conduct by end of 2023</p> <p>To continually raise the bar on supplier sourcing standards</p>	% of fresh and frozen meat Red Tractor certified	To achieve Red Tractor standards for all fresh meat by 2025 and frozen meat by 2027	<p>SDG 12</p> <p>GRI 414-1</p> <p>GRI 414-2</p> <p>SASB</p>
	% of seafood certified to an independent standards scheme	Ensure 100% of our seafood is responsibly sourced and all fresh-farmed seafood is certified to independent environmental standards scheme by end of 2023	
	% of shell eggs RSPCA Freedom Farm sourced	100% shell eggs RSPCA Freedom Farm sourced by end of 2023	
	Status of Business Benchmark for Animal Welfare (BBFAW) rating	Achieve Tier 3 rating on the Global BBFAW by end of 2023, and Tier 2 by 2025	
	% of cotton for uniforms from certified sustainable sources	Source 100% of cotton for our uniforms from certified sustainable sources by 2024	
<p>To ensure fair terms and improve working conditions across our supply chain</p> <p>To source products from areas with no risk of deforestation</p>	% of strategic suppliers with human rights policy in place	Ensure at least 80% of our top strategic suppliers have a human rights policy in place by end of 2023	<p>SDG 15</p> <p>GRI 414-2</p>
	% of suppliers registered with Sedex and fully completing questionnaires	100% of suppliers registered on Sedex and fully completing questionnaires by 2025	
	% of palm oil RSPO certified	100% RSPO certified palm oil within nominated lines and manufacturing and processing facilities by end of 2023	
	% of FSC certified wood and paper product in manufacturing and processing facilities	100% FSC certified wood and paper products used for manufacturing and processing facilities by end of 2025	

Step Up: acting to reduce our climate change impact

Goals	KPIs	Targets	Alignment
Significantly reduce our carbon emissions to become carbon net zero for all emission scopes by 2040	Total Scope 1 and 2 GHG emissions (tonnes tCO _{2e}) % reduction of GHG emissions against 2019 baseline year	Achieve net-zero GHG emissions for Scopes 1, 2 and 3 by 2040**** Reduce Scope 1 and 2 GHG emissions by 65% by 2025, against baseline of 2019	GRI 305 SDG 13
	Total Scope 3 GHG emissions (tonnes tCO _{2e}) % reduction of GHG emissions against 2019 baseline year	Reduce Scope 3 GHG emissions by 65% by 2030, against baseline of 2019	GRI 305 SDG 13
	Status of science-based target SBTi validation	Submit for validation the WSH Science based target (SBT) for net zero and FLAG (Forest, Land and Agriculture) related greenhouse gas (GHG) emissions by end-Q2 2023	SASB
To remove all avoidable waste across our business	Directly controlled food waste (tonnes)	Reduce food waste by 20% by 2024, from a 2019	GRI 306
	Total waste to landfill (tonnes)	Zero waste to landfill (from directly controlled sources) by end of 2023	GRI 301
	% packaging formed of single-use material	Eliminate all avoidable single-use packaging* by 2025	SASB

****Avoidable single-use packaging in this case refers to packaging that when subtracted will not impact product quality and where a low-impact alternative is available.

Whilst the targets and KPIs set out across each of the pillars followed an extensive process of analysis and assessment of the ESG topics relevant to the WSH family, the Committee recognises that ongoing materiality assessments are critical in determining future areas of focus, supported and evidenced by robust data which we are prioritising in capturing and analysing. Further to the areas covered above we are undertaking a review of our Wellbeing strategy, potentially adding this as a 5th pillar, as well as looking to incorporate more deforestation targets and KPIs within the Progressive Partnerships pillar. Finally, we will continue to review our governance structure to ensure that we have the right level of executive sponsorship and engagement throughout our business to deliver our objectives as well as future legislative requirements e.g., TCFD (Task force on Climate-related Financial Disclosures).

BAXTERSTOREY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 DECEMBER 2022**

Streamlined Energy and Carbon Renewal (SECR) Report

Our net carbon footprint for the 2022 financial period was 1,176 tonnes of carbon dioxide and equivalent gases (CO₂e) (2021: 815), with an intensity measure of 3.5 tonnes of CO₂e per £million turnover (2021: 3.8). The absolute increase should be set in the context of our post Covid business recovery with prior year levels subdued, the intensity measure better reflects our progress. We have reported on all the emission sources which we deem ourselves to be responsible for, as required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018.

These sources fall within our operation's control and financial boundaries. We have detailed below our energy use and energy efficiency actions taken during the period and would note that direct comparison between 2022 and 2021 is not helped by the material adverse impact Covid had on the size of the business in 2021.

		Current reporting year 2022*		Comparison reporting year 2021	
		kWh	tCO ₂ e	kWh	tCO ₂ e
Scope 1	Emissions from combustion of gas	-	-	-	-
Scope 1	Emissions from combustion of fuel for transport purposes (white fleet)	3,533,652	840	2,617,747	622
Scope 2	Emissions from purchased electricity	47,979	9	51,173	11
Scope 3	Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (grey fleet)	1,317,960	327	963,880	182
			1,176		815

*CO₂e conversion figures are based on 2022 Defra conversion data.

Energy Efficiency and Carbon Reduction Action:

Listed below are some of the ways in which our business has, and continues to address the impact we have on the environment:

- We have continued to provide energy efficiency training to our employees using our 'Green Flash' suite of toolbox training sessions;
- We have achieved ISO 50001 Energy Management System certification;
- We are active members of the Hospitality Carbon Reduction and Zero Carbon forums and have deployed a number of initiatives shared by fellow members to reduce energy usage (Equipment, behavioural, monitoring systems); and
- We have continued to install sensors and timers to reduce unnecessary usage in location as well as providing recommended equipment for efficient energy consumption in our kitchens and locations.

BAXTERSTOREY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Tax strategy

The Board recognise that compliance with tax regulations is one of its key responsibilities. In common with all aspects of the operation of its diverse business, the oversight is assigned to one member of the Board, namely the Chief Financial Officer, whose responsibility it is to appraise the Board of key tax events. This allows all Board members to be adequately engaged in the tax affairs of the business and thereby ensure BaxterStorey is adhering to its responsibilities.

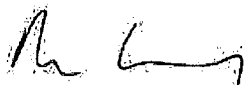
There are five key principles to which BaxterStorey adheres when considering all aspects of taxation. These principles provide steering to key stakeholders and offer a framework for decision making.

- **Transparency with HMRC** – BaxterStorey has an open and transparent relationship with HMRC and values the trust which HMRC places in our business to correctly deliver taxes due. In all dealings with HMRC, BaxterStorey seeks to maintain and further build on this relationship through proactive engagement.
- **External Advisors** – Ensure BaxterStorey engages with external advisors to provide technical expertise whenever necessary. This engagement will take place at Board level for corporate transactions and to ensure the overall tax strategy is coherent and tax risk is minimised. In addition, engagement will take place within the tax team for operational and compliance matters.
- **Sufficiently resourced tax team** – BaxterStorey is supported by an appropriately qualified tax team which invests in continued professional development. The Board will continue to review the structure of the tax team at suitable intervals to ensure it remains appropriate to the evolving business environment and external tax environment.
- **Tax Planning** – BaxterStorey is a client orientated business, and a strong commercial focus has played a key role in the success of the business and will continue to play a key role in the future. As part of its duty to its stakeholders to control unnecessary costs, BaxterStorey utilises tax reliefs and allowances available in the manner in which intended by the tax authorities and statute. BaxterStorey does not engage in artificial tax arrangements.
- **Risk Management and Internal Governance** – Due to the size and complexity of BaxterStorey's business there is an inherent degree of tax risk. The Board recognises this and considers that the tax strategy sits alongside stringent financial controls to reduce this to a minimal level.

As an employer with a significant number of employees but operating in a relatively low margin sector, corporation tax alone is not a balanced reflection of the total tax contribution made by BaxterStorey. The estimated taxes borne or collected by BaxterStorey other than corporation tax were:

	2022	2021
	£000	£000
VAT	47,590	21,643
PAYE	26,769	12,891
Employer's National Insurance	19,313	12,454
Employee's National Insurance	12,259	8,585
Business Rates	425	340
	<u>106,356</u>	<u>55,913</u>

This report was approved by the Board and signed on its behalf.



M Bradley
Director
27 April 2023

BAXTERSTOREY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 DECEMBER 2022

The directors present their report and the audited consolidated financial statements for the period ended 28 December 2022.

Results and dividends

The consolidated profit for the period after exceptional items amounted to £19.7m (2021: £19.9m). The directors do not recommend payment of a dividend by the company (2021: £nil).

Directors

The directors who served during the period and to the date of signing were:

J Bennett
M Bradley
R Harte
C Mahony
S Miller
R Pearce
A Storey
G Wood
S Kavanagh (appointed 1 January 2023)
P Kent (appointed 1 January 2023)
A McDowell (appointed 1 January 2023)
F Trotignot (appointed 1 January 2023)
S Esner (resigned 28 March 2022)
S Fennell (resigned 21 April 2023)
M Sandbach (resigned 31 December 2021)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

BAXTERSTOREY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Qualifying third party indemnity provisions

During the period, and up to the date of approval of the financial statements, BaxterStorey had in place qualifying third party indemnity provision for the benefit of all directors.

Employee involvement

These requirements are covered in the Our People section within the Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 in the Strategic Report.

Disabled employees

Our policy is for full and fair consideration of employment applications from disabled persons for those vacancies that they are able to fulfil with the required workplace adjustments. All necessary assistance with training is given. Arrangements are made, wherever possible, for retraining employees who become disabled, to allow them to perform work which is appropriate to their aptitudes and abilities.

It is the policy of BaxterStorey that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employment policies

We aim to provide equal opportunities regardless of gender, race, religion or belief, sexual orientation, disability or ethnic origin, recognising that the continued success of the group depends upon its ability to attract, motivate and retain people of the highest calibre.

Social, community and human rights Issues

We actively manage our businesses so as to ensure that Human Rights are not contravened in our operations. We have a clear Anti-Slavery and Human Trafficking Statement, available via our website www.baxterstorey.com, where it states our zero-tolerance approach in both our own operations and across our supply chain and further outlines our position regarding working hours, wages and supply chain review/onboarding and auditing.

Statement of engagement with suppliers, customers and others in a business relationship with the group

These requirements are covered in the Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 in the Strategic Report.

BAXTERSTOREY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2022

Charitable donations

The BaxterStorey Foundation

In 2012, in order to galvanise our considerable activities, we formed the BaxterStorey Foundation beneath the umbrella of our parent company's charitable foundation, The WSH Foundation. The WSH Foundation was established as a registered charity in 2008 to channel charitable funds towards local communities and charitable causes that are consistent with the company's core values. Funds raised by the WSH Foundation in 2022 amounted to £124,000 (2021: £993,000). The BaxterStorey group paid £120,000 (2021: £120,000) of donations to the WSH Foundation for the BaxterStorey Limited Coffee Cup scheme. Total funds raised to date by the Foundation stand at £5.1m. The trustees of the Foundation include directors of BaxterStorey Limited.

Donations by the WSH Foundation in 2022 amounted to £72,000 (2021: £1,473,000), bringing the total donations by the WSH Foundation to date to £4.7m. Donations in the year were predominantly made to the Natasha Allergy Research Foundation and Sol y Café LTDA (further details below). Other donations made included charities involved in the hospitality sector and those charities that are important to our employees, customers and clients.

The Natasha Allergy Research Foundation

The goal of the Natasha Allergy Research Foundation is to prevent and end allergic disease. The WSH Foundation has committed to provide £100,000 to the Natasha Allergy Research Foundation over a three year period to enable the Natasha Allergy Research Foundation to raise awareness and make a positive difference to the lives of all those living with allergic disease.

Sol y Café LTDA

In 2022 the WSH Foundation made a grant of £25,000 to the Sol y Café LTDA coffee cooperative based in Peru. During a visit to the country by a number of BaxterStorey employees the team were able to see first-hand the operations of the cooperative. On the team's return the WSH Foundation agreed to the grant, enabling the cooperative to continue to provide education to children from coffee farming families and those in the wider community, furthering the cooperative's aims to unlock the full potential of these young people and benefitting the long-term prosperity of the wider community.

Direct donations

Direct charitable donations by the group amounted to £61,311 in the period (2021: £29,000). Additionally, our client teams regularly participate in, and are actively encouraged to do so, charitable activities together with our clients. These activities and funds raised from them are in addition to the amounts stated above.

Matters covered in the Strategic Report

In accordance with Section 414C(11) of the Companies Act 2006, the principal risks and uncertainties and future developments of the company are contained within the Strategic Report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 DECEMBER 2022**

Statement of corporate governance arrangements

From incorporation onwards our shareholder has sought to apply the highest standards of corporate governance, regularly examining its arrangements to ensure standards remain robust and appropriate as both the internal and external landscape shifts.

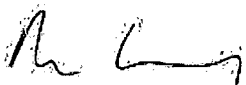
The Wates Corporate Governance Principles for Large Private Companies were applied throughout the period and continue to be applied as follows:

Principle	Application
<p>Principle One - Purpose and Leadership An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.</p>	<ul style="list-style-type: none"> • Through the leadership of the Board and preparation of detailed 5-year business plans, a clear vision for the group's purpose and overall values is articulated. The vision, values and execution of the business plan, underpin and define the strategy and culture of the organisation. • This ethos is embedded at every level of management. Monthly review meetings are held with all subsidiary companies. The Chairman and the Chief Financial Officer meet with the respective executive teams and assess performance versus plan and other key metrics. Outputs from the meeting are cascaded to the wider teams as appropriate. • Policies and protocols are in place to support the execution of the group's purpose and values across the organisation, helping to align engagement with employees, shareholders and our wider stakeholders. • Further information on the purpose of the group and its values, strategy and culture can be found in the Strategic Report in the Introduction and s172(1) statement sections on pages 1 and 4.
<p>Principle Two - Board Composition Effective Board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.</p>	<ul style="list-style-type: none"> • The full Board meets monthly to consider health and safety, operational matters, people issues, financial and commercial aspects, supply chain and new business opportunities. • All directors including the Chair have varied appropriate backgrounds, qualifications, experience and knowledge to effectively contribute to the Board. • The composition of the Board is regularly assessed to ensure its composition is reflective of the current and anticipated future needs of the company. • The Boards of all subsidiaries in the WSH group, including the BaxterStorey group, are comprised of executive shareholder directors. Boards of the WSH holding companies include shareholder directors (executive and non-executive). • The non-executive directors assess the effectiveness of the Board on an on-going basis and provide recommendations to the Chair as required.
<p>Principle Three - Director Responsibilities The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.</p>	<ul style="list-style-type: none"> • The Chair is responsible for leadership of the Board on all aspects of its role and setting its agenda. • Each of the directors receives accurate and timely information to allow them to contribute fully. • All Board members are provided clear guidance on what is expected of them as directors. This includes specific training for new directors. • The Board has delegated specific responsibilities to WSH committees: The Audit Committee, Remuneration Committee, ESG Committee and Risk Management. The committees are comprised of executive directors, non-executive directors and senior management. Each of these committees has a clear set of objectives and report to both the subsidiary Boards and ultimately the WSH Board.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 DECEMBER 2022**

<p>Principle Four - Opportunity and Risk A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight of the identification and mitigation of risks.</p>	<ul style="list-style-type: none">• The Board focuses on contract retention as a key metric to allow objective monitoring of the group's performance.• Board members are provided with a regular assessment of the sales pipeline.• The WSH Risk Management Committee has identified the principal risks across the group. These risks and mitigation systems are reviewed at least monthly and the systems are externally reported in the financial statements each year. Further information can be found on pages 2 and 3.• The Chair of the group holds monthly meetings with senior executives from each of the WSH brands, including BaxterStorey, attending.
<p>Principle Five - Remuneration A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.</p>	<ul style="list-style-type: none">• The group's remuneration policy is defined by the Remuneration Committee which includes a non-executive director. This is further explained in the s172(1) statement within the Strategic Report on page 4.• A key principle of the remuneration policy is to ensure the executive remuneration structures align to the long-term sustainable success of the group.
<p>Principle Six – Stakeholder Relationships and Engagement Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.</p>	<ul style="list-style-type: none">• The Board recognises the significance of stakeholder relationships and engagement and places a strong emphasis on fostering meaningful engagement with stakeholders. This is further explained in the s172(1) statement within the Strategic Report on page 4.

This report was approved by the Board and signed on its behalf.



M Bradley
Director
27 April 2023

Registered office:
300 Thames Valley Park Drive
Reading
RG6 1PT

Independent auditors' report to the members of BaxterStorey Limited

Report on the audit of the financial statements

Opinion

In our opinion, BaxterStorey Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 28 December 2022 and of the group's profit and the group's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 28 December 2022; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cashflows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewed the Group cash flow model by assessing the forecasts against recent performance
- Tested the mathematical accuracy of management's cash flow model used in the assessment
- Assessed the reasonableness of key assumptions in the cash flow model and whether other risks exist that should be considered
- Vouched cash balances used in management's assessment to underlying support and agreed available facilities to underlying facility agreements
- Carried out sensitivity analysis to ensure no reasonable downside sensitivities could cause liquidity issues or covenant breaches

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 28 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Employment Legislation including Health and Safety Executive Legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK Tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the group Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud
- Identifying and testing journal entries based on our risk assessment, in particular certain journal entries posted with unusual descriptions or unusual account combinations and evaluating whether there was evidence of management bias that represents a risk of misstatement due to fraud
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Incorporating elements of unpredictability into the audit procedures performed

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2023

BAXTERSTOREY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	3	448,901	285,164
Cost of sales		(394,337)	(268,171)
Other income	4	112	31,368
Gross profit		54,676	48,361
Administrative expenses		(29,749)	(25,821)
Administrative expenses - exceptional items	6	-	(389)
Other income	4	25	1,535
Operating profit	5	24,952	23,686
Interest receivable and similar income	9	5	1
Interest payable and similar expenses	10	(3)	(72)
Profit before taxation		24,954	23,615
Tax on profit	11	(5,242)	(3,717)
Profit for the financial period		19,712	19,898
Currency translation differences		645	(572)
Other comprehensive income/(expense) for the period		645	(572)
Total comprehensive income for the period		20,357	19,326
Total comprehensive income for the period attributable to:			
Non-controlling interest		(52)	90
Owners of the parent company		20,409	19,236
		20,357	19,326

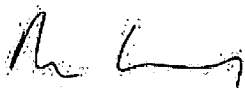
All amounts relate to continuing operations.

The notes on pages 27 to 48 form part of these financial statements.

BAXTERSTOREY LIMITED**CONSOLIDATED BALANCE SHEET
AS AT 28 DECEMBER 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	12	10,113	10,651
Tangible assets	13	6,660	7,337
		<u>16,773</u>	<u>17,988</u>
Current assets			
Stocks	15	6,771	4,990
Debtors: amounts falling due within one year	16	262,934	261,589
Cash at bank and in hand		31,674	28,529
		<u>301,379</u>	<u>295,108</u>
Creditors: amounts falling due within one year	17	(110,876)	(125,931)
		<u>190,503</u>	<u>169,177</u>
Net current assets			
		<u>207,276</u>	<u>187,165</u>
Total assets less current liabilities			
Provisions for liabilities	19	(5,847)	(6,093)
		<u>(5,847)</u>	<u>(6,093)</u>
Net assets			
		<u><u>201,429</u></u>	<u><u>181,072</u></u>
Capital and reserves			
Called up share capital	20	3	3
Share premium account		209	209
Foreign exchange reserve		1,085	440
Profit and loss account		199,549	179,785
Non-controlling interests		583	635
		<u>201,429</u>	<u>181,072</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Bradley
Director

Date: 27 April 2023

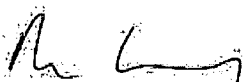
The notes on pages 27 to 48 form part of these financial statements.

Registered company number: 01962583

BAXTERSTOREY LIMITED**COMPANY BALANCE SHEET
AS AT 28 DECEMBER 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	12	6,811	7,083
Tangible assets	13	5,054	5,692
Investments	14	1,614	1,614
		<u>13,479</u>	<u>14,389</u>
Current assets			
Stocks	15	5,424	4,092
Debtors: amounts falling due after more than one year	16	3,136	2,978
Debtors: amounts falling due within one year	16	296,741	282,195
Cash at bank and in hand		19,444	17,060
		<u>324,745</u>	<u>306,325</u>
Creditors: amounts falling due within one year	17	(161,283)	(159,185)
Net current assets		<u>163,462</u>	<u>147,140</u>
Total assets less current liabilities		<u>176,941</u>	<u>161,529</u>
Provisions for liabilities	19	(4,639)	(4,692)
		<u>(4,639)</u>	<u>(4,692)</u>
Net assets		<u>172,302</u>	<u>156,837</u>
Capital and reserves			
Called up share capital	20	3	3
Share premium account		209	209
Profit and loss account		172,090	156,625
Total equity		<u>172,302</u>	<u>156,837</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Bradley
Director

Date: 27 April 2023

The notes on pages 27 to 48 form part of these financial statements.

Registered company number: 01962583

BAXTERSTOREY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Foreign exchange reserve £000	Profit and loss account £000	Non- controlling interests £000	Total equity £000
At 30 December 2020	3	209	1,012	159,977	545	161,746
Comprehensive income for the period						
Profit for the period	-	-	-	19,808	90	19,898
Currency translation differences	-	-	(572)	-	-	(572)
At 29 December 2021	3	209	440	179,785	635	181,072
Comprehensive income for the period						
Profit for the period	-	-	-	19,764	(52)	19,712
Currency translation differences	-	-	645	-	-	645
At 28 December 2022	3	209	1,085	199,549	583	201,429

The notes on pages 27 to 48 form part of these financial statements.

BAXTERSTOREY LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 30 December 2020	3	209	141,826	142,038
Comprehensive income for the period				
Profit for the period	-	-	14,799	14,799
At 29 December 2021	3	209	156,625	156,837
Comprehensive income for the period				
Profit for the period	-	-	15,465	15,465
At 28 December 2022	3	209	172,090	172,302

The notes on pages 27 to 48 form part of these financial statements.

BAXTERSTOREY LIMITED

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

	Note	2022 £000	2021 £000
Net cash flows from operations	22	6,670	3,572
Corporation tax paid		(688)	(336)
Net cash generated from operating activities		5,982	3,236
Cash flows from investing activities			
Purchase of intangible assets		(1,120)	(126)
Purchase of tangible assets		(1,719)	(905)
Net cash used in investing activities		(2,839)	(1,031)
Net cash flows before financing activities		3,143	2,205
Cash flows from financing activities			
Interest paid		(3)	(72)
Interest received		5	1
Net cash generated from/(used in) financing activities		2	(71)
Net increase in cash and cash equivalents		3,145	2,134
Cash and cash equivalents at beginning of period		28,529	26,395
Cash and cash equivalents at end of period		31,674	28,529
Cash and cash equivalents at the end of the period comprise:			
Cash at bank and in hand		31,674	28,529
		31,674	28,529

The notes on pages 27 to 48 form part of these financial statements.

BAXTERSTOREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2022

1. General information

Baxterstorey Limited is a private company limited by shares. It was incorporated and is registered within England and Wales.

In common with much of the hospitality sector, the company operates to a weekly reporting cycle rather than calendar month end basis. Accordingly, these financial statements are for the 52 week period ended 28 December 2022, with comparative values for the 52 week period ended 29 December 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The consolidated and company financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The financial statements have been prepared on a going concern basis. The financial statements are presented in GBP, which is also the company and group's functional currency.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemption:

- from the requirement to present certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures of the parent company.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to each presented period, unless otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account for Baxterstorey Limited has not been presented in these financial statements. The company's result for the period is shown in the Company Statement of Changes in Equity.

2.3 Going concern

In assessing the group's ability to continue as a going concern, the directors have considered the performance of the business through 2022 and ongoing performance in 2023. The directors believe the underlying resilience of the group evidenced through the pandemic, the clear recovery in trading through 2022 and the positive outlook for the business, together with the strength of the parent WSH, supports the directors' confidence that the group, with the support of the WSH group, can meet all its obligations as they fall due through to at least the end of 2024. Accordingly, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Government grant income

Government grant income is recognised once the conditions attached to the grant are met and there is reasonable assurance that the grant will be received. Recognition is based on the accrual model and the income is included within other income.

2.6 Exceptional items

Exceptional items are transactions that result from the operating activities of the company but are separately disclosed due to their exceptional, non-recurring nature. Examples include incremental costs explicitly linked to the Covid-19 pandemic and acquisition costs.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of ten to twenty years.

Computer software

Software development is stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost less estimated residual value evenly over its estimated useful economic life being two to five years.

Software development expenditure

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised when the asset is placed in service on a straight line basis over their useful economic lives, being a period of five years.

2.8 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Motor vehicles	- 4 years
Fixtures and fittings	- 3 to 7 years
Computer equipment	- 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

2. Accounting policies (continued)

2.15 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates for the month of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Provisions for liabilities

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle the obligation. Provisions are measured at the directors' best estimate of the cost of settling these liabilities and are discounted to present value where the effect is material.

2.17 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

BaxterStorey and its subsidiaries have taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (2 January 2016) to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

2. Accounting policies (continued)

2.19 Defined contribution pension plans

BaxterStorey and its subsidiaries operate defined contribution plans for its employees. A defined contribution plan is a pension plan under which BaxterStorey and its subsidiaries pay fixed contributions into separate entities. Once the contributions have been paid BaxterStorey and its subsidiaries have no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plans are held separately from the group in independently administered funds.

2.20 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.21 Key accounting judgements and estimates

The group makes key accounting judgements and estimates in order to prepare the financial statements. These judgements and estimates are subject to inherent uncertainty but are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant is addressed below:

Provisions

Provisions are established for costs that will be incurred based on legislative and contractual requirements. These liabilities require the judgement of management as to the estimated costs, the timing of the cash flows and the discount rates to use to establish the net present value of the obligations. Sensitivities have been considered and it has been concluded that there are no generic assumptions used in the model that could result in a material change in the provision.

BAXTERSTOREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2022

3. Turnover

The turnover of the group for the current and prior period has been derived from the sale of goods and services in relation to its principle activity of providing food and hospitality services.

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	389,042	252,602
Rest of Europe	59,859	32,562
	<u>448,901</u>	<u>285,164</u>

4. Other income

	2022 £000	2021 £000
Government grant income - gross profit	112	31,368
Government grant income - operating income	25	1,535
	<u>137</u>	<u>32,903</u>

During the period, grant income of £137,000 was received under the various European Government Coronavirus support schemes. In the prior period, grant income of £32.9m was received under the various UK Government Coronavirus job retention schemes and other European Government Coronavirus support schemes. The grant income has been categorised within gross profit or operating income/costs so as to align to the underlying employee costs.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation on tangible assets	2,408	2,941
Loss on disposal of tangible assets	73	65
Amortisation of goodwill	1,547	1,550
Amortisation of intangible assets	286	548
Other operating lease rentals	2,084	2,392
Exchange differences	(463)	(273)
Auditors remuneration:		
Audit of the group and company financial statements	77	70
Audit of subsidiaries	135	123
Other assurance services	17	16
	<u> </u>	<u> </u>

BAXTERSTOREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2022

6. Exceptional items

In the prior period, the group incurred £389,000 of exceptional restructuring costs as a result of the Covid-19 pandemic. Wherever possible, the various UK and European job retention schemes were utilised so as to preserve as many jobs as possible. Nevertheless, disappointingly there was still a need to further right size the business as a direct consequence of the pandemic's impact on revenue.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	203,209	160,731
Social security costs	19,313	12,454
Cost of defined contribution schemes	4,624	3,398
	<u>227,146</u>	<u>176,583</u>

The prior period amounts include £0.4m of exceptional payroll costs relating to Covid-19 redundancies (see note 6).

The amounts shown in the table above are shown gross of furlough payments made to employees. Amounts received from the various Government job retention schemes are shown separately as other income (see note 4).

The average monthly number of employees, including the directors, during the period was as follows:

	2022 No.	2021 No.
Clerical and management	237	177
Catering and hospitality	6,650	5,948
	<u>6,887</u>	<u>6,125</u>

BAXTERSTOREY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022****8. Directors' remuneration**

	2022	<i>2021</i>
	£000	<i>£000</i>
Directors' emoluments	1,178	<i>1,260</i>
Company contributions to defined contribution pension schemes	67	<i>88</i>
	1,245	<i>1,348</i>

During the period retirement benefits were accruing to 6 directors (2021:7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £339,000 (2021: £215,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,000 (2021: £20,000).

In order to help the group navigate through the uncertainties that the Covid-19 pandemic brought to the group, directors agreed to take temporary pay reductions during 2021.

Some directors' emoluments have been borne by other companies under common group ownership. These directors are also directors or officers of at least one other company within the group.

9. Interest receivable and similar income

	2022	<i>2021</i>
	£000	<i>£000</i>
Other interest receivable	5	<i>1</i>
	5	<i>1</i>

10. Interest payable and similar expenses

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank interest payable	2	<i>1</i>
Other loan interest payable	-	<i>69</i>
Finance leases and hire purchase contracts	1	<i>2</i>
	3	<i>72</i>

BAXTERSTOREY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022****11. Tax on profit**

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the period	4,315	3,604
Adjustments in respect of prior periods	209	(623)
	<u>4,524</u>	<u>2,981</u>
Foreign tax		
Foreign tax on income for the period	429	870
Foreign tax in respect of prior periods	(50)	21
	<u>379</u>	<u>891</u>
Total current tax charge	<u>4,903</u>	<u>3,872</u>
Deferred tax		
Origination and reversal of timing differences	241	318
Changes to tax rates	13	(432)
Adjustments in respect of prior periods	85	(41)
Total deferred tax charge/(credit)	<u>339</u>	<u>(155)</u>
Tax on profit	<u>5,242</u>	<u>3,717</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022

11. Tax on profit (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2021: *lower than*) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	24,954	23,615
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	4,741	4,487
Effects of:		
Expenses not deductible for tax purposes	436	482
Effect of overseas tax rates	(59)	6
Adjustments in respect of prior periods	244	(643)
Changes to tax rates	13	(432)
Excess capital allowances arising from super deductions at 130%	(133)	(183)
Total tax charge for the period	5,242	3,717

Factors that may affect future tax charges

An increase to the rate of corporation tax to 25% from April 2023 was substantially enacted by the balance sheet date and has been included in the calculation of deferred taxes using a blended rate approach. The increased rate will also affect future current tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

12. Intangible assets**Group**

	Software development expenditure £000	Computer software £000	Goodwill £000	Total £000
Cost				
At 30 December 2021	-	5,021	26,469	31,490
Additions	967	243	-	1,210
Disposals	-	(105)	-	(105)
Foreign exchange movement	-	-	230	230
At 28 December 2022	<u>967</u>	<u>5,159</u>	<u>26,699</u>	<u>32,825</u>
Amortisation				
At 30 December 2021	-	4,560	16,279	20,839
Charge for the period	-	286	1,547	1,833
Disposals	-	(16)	-	(16)
Foreign exchange movement	-	-	56	56
At 28 December 2022	<u>-</u>	<u>4,830</u>	<u>17,882</u>	<u>22,712</u>
Net book value				
At 28 December 2022	<u>967</u>	<u>329</u>	<u>8,817</u>	<u>10,113</u>
At 29 December 2021	<u>-</u>	<u>461</u>	<u>10,190</u>	<u>10,651</u>

Software development expenditure consists of internally developed software costs. Amortisation on software development expenditure will commence when the asset is in service on a straight line basis over a period of five years.

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

12. Intangible assets (continued)

Company

	Software development expenditure £000	Computer software £000	Goodwill £000	Total £000
Cost				
At 30 December 2021	-	5,021	22,145	27,166
Additions	967	243	-	1,210
Disposals	-	(105)	-	(105)
At 28 December 2022	<u>967</u>	<u>5,159</u>	<u>22,145</u>	<u>28,271</u>
Amortisation				
At 30 December 2021	-	4,560	15,523	20,083
Charge for the period	-	286	1,107	1,393
Disposals	-	(16)	-	(16)
At 28 December 2022	<u>-</u>	<u>4,830</u>	<u>16,630</u>	<u>21,460</u>
Net book value				
At 28 December 2022	<u>967</u>	<u>329</u>	<u>5,515</u>	<u>6,811</u>
At 29 December 2021	<u>-</u>	<u>461</u>	<u>6,622</u>	<u>7,083</u>

Software development expenditure consists of internally developed software costs. Amortisation on software development expenditure will commence when the asset is in service on a straight line basis over a period of five years.

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

13. Tangible assets

Group

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 30 December 2021	80	32,498	5,264	37,842
Additions	-	1,673	46	1,719
Disposals	-	(1,680)	-	(1,680)
Exchange adjustments	2	263	4	269
	<u>82</u>	<u>32,754</u>	<u>5,314</u>	<u>38,150</u>
At 28 December 2022	82	32,754	5,314	38,150
Depreciation				
At 30 December 2021	73	25,284	5,148	30,505
Charge for the period	8	2,307	93	2,408
Disposals	-	(1,607)	-	(1,607)
Exchange adjustments	1	180	3	184
	<u>82</u>	<u>26,164</u>	<u>5,244</u>	<u>31,490</u>
At 28 December 2022	82	26,164	5,244	31,490
Net book value				
At 28 December 2022	<u>-</u>	<u>6,590</u>	<u>70</u>	<u>6,660</u>
At 29 December 2021	<u>7</u>	<u>7,214</u>	<u>116</u>	<u>7,337</u>

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

13. Tangible assets (continued)

Company

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 30 December 2021	37	26,325	5,095	31,457
Additions	-	1,124	46	1,170
Disposals	-	(1,022)	-	(1,022)
At 28 December 2022	<u>37</u>	<u>26,427</u>	<u>5,141</u>	<u>31,605</u>
Depreciation				
At 30 December 2021	37	20,738	4,990	25,765
Charge for the period	-	1,670	81	1,751
Disposals	-	(965)	-	(965)
At 28 December 2022	<u>37</u>	<u>21,443</u>	<u>5,071</u>	<u>26,551</u>
Net book value				
At 28 December 2022	<u>-</u>	<u>4,984</u>	<u>70</u>	<u>5,054</u>
At 29 December 2021	<u>-</u>	<u>5,587</u>	<u>105</u>	<u>5,692</u>

BAXTERSTOREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2022

14. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 30 December 2021	1,614
At 28 December 2022	<u>1,614</u>

Subsidiary undertakings

The following are subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
BaxterStorey France SAS*	Catering services	Ordinary	100%
BaxterStorey Ireland Limited	Catering services	Ordinary	100%
BaxterStorey Norway AS*	Catering services	Ordinary	100%
BaxterStorey Scotland Limited	Catering services	Ordinary	100%
Hesscroft Limited*	Catering services	Ordinary	75%
Nutrition Cater Limited	Holding company	Ordinary	75%
Portico Corporate Reception Management Limited	Reception services	Ordinary	100%

All of the above subsidiaries are included in the consolidation.

*Indirect subsidiaries

The registered addresses and countries of incorporation of the subsidiary undertakings are listed below:

- BaxterStorey France SAS - incorporated in France, with a registered address of 155 rue du Faubourg Saint Denis, 75010 Paris, France
- BaxterStorey Ireland Limited, Hesscroft Limited and Nutrition Cater Limited - incorporated in the Republic of Ireland, with a registered address of Second Floor, Avoca Building, Fitzmaurice Road, Rathcoole, Dublin 24, Ireland
- BaxterStorey Norway AS - incorporated in Norway, with a registered address of c/o Ecit Services AS, Rolfsbuktheien 4A, 1364 Fornebu, Norway
- BaxterStorey Scotland Limited - incorporated in Scotland, with a registered address of 8 Fairways Business Park, Deer Park Avenue, Livingston, EH54 8AF, Scotland
- Portico Corporate Reception Management Limited - incorporated in England and Wales, with a registered address of 300 Thames Valley Park Drive, Reading, RG6 1PT

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

15. Stocks

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Raw materials and consumables	6,771	4,990	5,424	4,092
	<u>6,771</u>	<u>4,990</u>	<u>5,424</u>	<u>4,092</u>

16. Debtors

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Due after more than one year				
Loans owed by group undertakings	-	-	3,136	2,978
	<u>-</u>	<u>-</u>	<u>3,136</u>	<u>2,978</u>

Loans owed by group undertakings are unsecured and interest bearing.

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Due within one year				
Trade debtors	56,670	39,133	44,336	29,615
Amounts owed by group undertakings	197,488	212,623	246,584	245,541
Other debtors	188	1,197	48	343
Deferred taxation (note 18)	2,010	2,345	1,637	1,973
Prepayments and accrued income	6,578	6,291	4,136	4,723
	<u>262,934</u>	<u>261,589</u>	<u>296,741</u>	<u>282,195</u>

Amounts owed by group undertakings are unsecured, non interest bearing and repayable on demand.

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

17. Creditors: amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Trade creditors	45,144	27,197	35,923	21,771
Amounts owed to group undertakings	1,247	46,041	78,429	100,144
Corporation tax	3,789	2,821	3,071	1,550
Other taxation and social security	18,252	12,404	14,290	8,369
Other creditors	17,241	14,142	12,525	10,665
Accruals and deferred income	25,203	23,326	17,045	16,686
	<u>110,876</u>	<u>125,931</u>	<u>161,283</u>	<u>159,185</u>

Amounts owed by group companies are unsecured, non interest bearing and repayable on demand.

18. Deferred taxation

Group

	2022	<i>2021</i>
	£000	<i>£000</i>
Asset at beginning of period	2,345	2,203
(Charged)/credited to profit or loss	(339)	155
Foreign exchange movement	4	(13)
Asset at end of period	<u>2,010</u>	<u>2,345</u>

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

18. Deferred taxation (continued)

Company

	2022	2021
	£000	£000
Asset at beginning of period	1,973	1,810
(Charged)/credited to profit or loss	(336)	163
Asset at end of period	1,637	1,973

The deferred tax asset is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Depreciation in excess of capital allowances	1,644	2,094	1,380	1,838
Other short term timing differences	366	251	257	135
	2,010	<i>2,345</i>	1,637	<i>1,973</i>

19. Provisions for liabilities

	Total provisions £000
Group	
At 30 December 2021	6,093
Provided during the period	3,265
Utilised during the period	(1,189)
Released during the period	(2,372)
Foreign exchange movement	50
At 28 December 2022	5,847

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

19. Provisions for liabilities (continued)

	Total provisions £000
Company	
At 30 December 2021	4,693
Provided during the period	2,417
Utilised during the period	(667)
Released during the period	(1,804)
	<hr/>
At 28 December 2022	4,639
	<hr/> <hr/>

20. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
3,162 (2021: 3,162) ordinary shares of £1.00 each	3	3
	<hr/> <hr/>	<hr/> <hr/>

21. Pension commitments

BaxterStorey and its subsidiaries operate a number of defined contribution pension schemes. The assets of these schemes are held separately from those of BaxterStorey and its subsidiaries in independently administered funds. The pension cost charge represents contributions payable by BaxterStorey and its subsidiaries to the funds and amounted to £4,624,000 (2021: £3,398,000). Contributions totalling £927,000 (2021: £705,000) were payable to the funds at the balance sheet date and are included within other creditors.

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

22. Net cash flows from operations

	2022	2021
	£000	£000
Profit for the financial period	19,712	19,898
Interest expense	3	72
Interest income	(5)	(1)
Taxation charge	5,242	3,717
	<u>24,952</u>	<u>23,686</u>
Operating profit	24,952	23,686
Amortisation of intangible assets	1,833	2,098
Depreciation of tangible assets	2,408	2,941
Loss on disposal of tangible assets	73	65
(Increase)/decrease in stocks	(1,781)	(563)
(Increase)/decrease in debtors	(15,281)	8,674
(Decrease)/increase in creditors	(5,287)	(32,644)
(Decrease)/increase in provisions	(247)	(685)
	<u>(18,282)</u>	<u>(20,114)</u>
	<u>6,670</u>	<u>3,572</u>
Net cash flows from operations		

In the prior period, included in the decrease in net cash flows from operations in the period is the repayment of £28m of previously deferred UK VAT and PAYE in advance of the repayment plan agreed with HMRC. The above cashflows include no exceptional costs (2021: £1.3m).

23. Commitments under operating leases

At the period end, the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	1,380	2,037	1,223	1,945
Later than 1 year and not later than 5 years	3,261	3,570	3,108	3,458
Later than 5 years	28	345	-	325
	<u>4,669</u>	<u><i>5,952</i></u>	<u>4,331</u>	<u><i>5,728</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

24. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 which applies to group undertakings and has not disclosed details of transactions with wholly owned group companies.

The company made payments on behalf of South West Larder Limited, a sister company, in the period to the value of £41,000 (2021: *£nil*). At the balance sheet date, an amount of £2,000 (2021: *£nil*) was receivable and is included within amounts owed by group undertakings.

An interest-bearing loan to Nutrition Cater Limited is held by the company. At the balance sheet date, the principal amount of £3,136,000 (2021: £3,136,000) was outstanding and is included within loans owed by group undertakings and is due for repayment after more than one year. Interest of £184,000 (2021: £179,000) was charged in the period. At the balance sheet date, £469,000 (2021: £285,000) was outstanding and is included within amounts owed by group undertakings.

The company made payments on behalf of the Nutrition Cater Limited group in the period to the value of £151,000 (2021: £851,000). At the balance sheet date, an amount of £720,000 (2021: £851,000) was payable and is included within amount owed to group undertakings.

The company made payments on behalf of Lush by Tom Kerridge Limited, a sister company, in the period to the value of £54,000 (2021: £49,000). At the balance sheet date, an amount of £101,000 (2021: £49,000) was receivable and is included within amounts owed by group undertakings.

The company made payments on behalf of the WSH Foundation in the period to the value of £4,000 (2021: £1,000). At the balance sheet date, an amount of £1,000 (2021: *£nil*) was receivable. The company paid £120,000 (2021: £120,000) of donations to the WSH Foundation for the BaxterStorey Limited Coffee Cup scheme and at the balance sheet date £120,000 (2021: £120,000) was payable and is included within other creditors. Directors M Bradley, J Bennett, C Mahony and A Storey are also Trustees of the WSH Foundation.

The company made payments on behalf of WSH & Galetti Restaurants Limited in the period to the value of £13,000 (2021: £1,000). At the balance sheet date, £5,000 (2021: *£nil*) was receivable and included within trade debtors. All amounts have been settled subsequent to the period end. A Storey and M Bradley are directors of WSH & Galetti Restaurants Limited.

The company made payments on behalf of WSH Restaurant Investments Limited in the period to the value of £40,000 (2021: *£nil*). No amount was outstanding at the balance sheet date (2021: *£nil*). All amounts have been settled subsequent to the period end. A Storey and M Bradley are directors of WSH Restaurant Investments Limited.

WSH Restaurant Investments Limited provided support services to the company in the period to the value of £8,000 (2021: £19,000). At the balance sheet date £1,000 (2021: £2,000) was outstanding and included within trade creditors. All amounts have been settled subsequent to the period end. A Storey and M Bradley are directors of WSH Restaurant Investments Limited.

The company made payments on behalf of The Woodspeen Restaurant Limited in the period to the value of £11,000 (2021: £2,000). In the prior period, the company also made purchases from The Woodspeen Restaurant Limited to the value of £7,000. At the balance sheet date, an amount of £3,000 (2021: *£nil*) was outstanding and included within other debtors. All amounts have been settled subsequent to the period end. A Storey and M Bradley are directors of The Woodspeen Restaurant Limited.

The company made payments on behalf of Malch Limited in the period to the value of £3,000 (2021: *£nil*). At the balance sheet date, an amount of £1,000 (2021: *£nil*) was outstanding and included within other debtors. All amounts have been settled subsequent to the period end. A Storey and M Bradley are directors of Malch Limited.

BAXTERSTOREY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2022**

25. Controlling party

Westbury Street Limited, a company incorporated in England and Wales, is the immediate parent company.

The directors regard the ultimate parent company to be CD&R and WSH JVco (UK) Limited, a company incorporated in England and Wales. CD&R and WSH JVco (UK) Limited is also the largest group into which the company's results are consolidated.

Copies of the consolidated financial statements for CD&R and WSH JVco (UK) Limited can be obtained from 300 Thames Valley Park Drive, Reading, RG6 1PT.

The ultimate controlling party was CD&R and WSH JVco Limited, a UK tax resident company.